

Supporting Statement for Paperwork Reduction Act Submission
Form AID 11
Application for Approval of Commodity Eligibility
OMB Control No. 0412-0004

A. Justification

1. For over 60 years, the U.S. Agency for International Development (USAID) and its predecessor agencies have provided grants to some developing countries in the form of Commodity Import Programs (CIPs). Currently, the only active CIP is in Egypt, and it is scheduled to be closed out in 2009. We intend to maintain the authority for CIPs and their associated information collections should circumstances dictate that new programs be initiated.

Under CIPs, funds are made available to host countries to be allocated to the public and private sectors for purchasing various commodities from the U.S., or in some cases, from other developing countries. In accordance with Section 604(f) of the Foreign Assistance Act of 1961, as amended, USAID may finance only those commodities, which are determined eligible and suitable in accordance with various statutory requirements and agency policies. Using the Application for Approval of Commodity Eligibility (Form AID 11), the supplier certifies to USAID information about the commodities being supplied, as required in Section 604(f), so that USAID may determine eligibility.

2. The information contained in the Form AID-11 enables USAID's overseas Missions to identify a proposed transaction and assure that it is covered by an extant USAID-financing document, to determine whether the supplier and the commodities meet eligibility requirements, and to check for any apparent overpricing.
3. We post this form on USAID's public web site, i.e., <http://www.usaid.gov/forms/a11.doc>, where respondents may download it, and e-mail or fax it to the mission commodity staff. The small number of responses and the imminent closeout of the only active CIP program make further automation of the information collection a very low priority for the agency's ADP resources.

4. Since the information is specific to each separate purchase transaction which USAID finances under the CIPs, it must be provided in connection with each separate transaction. Multiple shipments under one transaction may be approved at the same time on one form submission.
5. N/A.
6. If the Form AID-11 were not used, a different method of obtaining assurance of compliance would have to be developed. It might require that the recipient country would have to advance its own foreign exchange to pay suppliers and be reimbursed by USAID after the fact, which would be difficult or impossible for some recipient countries.
7. Respondents might have to provide the information more often than quarterly if they had more than one USAID-financed transaction in a quarter.
8. The staff of the Office of Acquisition and Assistance and of the USAID overseas Missions have informal contact with suppliers concerning USAID's information requirements. Any problems regarding these requirements that suppliers raise will be considered.
9. N/A.
10. There is no assurance of confidentiality.
11. There are no questions of a sensitive nature.
12. In the last year of the only currently active CIP, the number of respondents is estimated to be 20, who may submit a total of approximately 40 responses. The estimated burden is one half hour per form, resulting in an annual burden of 20 hours. The estimate was arrived at from experience with use of the form and discussions with respondents.

The annual cost to respondents is estimated to be \$1,056. This is determined as follows:

Preparation by clerical personnel.

\$18.00/hr x .333 hr/form x 40 forms \$ 240

Management review and execution of cert. \$36.00/hr x .167 hr/form x 40 forms	\$ <u>240</u>
	\$ 480

Fringe benefits and overhead for a medium- size commercial organization at 120%	\$ <u>576</u>
Est. annual respondent cost	\$1,056

- 13.** There are no capital or start-up costs, nor are there operation or maintenance costs beyond those that are deemed customary and usual business practice.
- 14.** The estimated annual cost to the Federal Government for this information collection is \$2,057. This is determined, as follows:

Annual salary for a foreign national commodity eligibility specialist	\$19,200
Health benefits, transportation allowance, and retirement contribution	<u>\$ 1,400</u>
	\$20,600
Overhead - 90% of above	<u>\$18,540</u>
	\$39,140
Percentage of work time devoted to effort	<u>x 5%</u>
Total annual personnel costs	\$ 1,957
Printing and facsimile transmission costs	<u>\$ 100</u>
Est. annual Govt cost	\$ 2,057

- 15.** The estimated number of responses has declined by 710, and the estimated burden hours per year has declined by 355 from the current OMB inventory, based upon the estimates for the final year's usage.

16. N/A.

17. N/A.

- 18.** No exceptions are taken to the certification statement.

B. Collections of Information Employing Statistical Methods.

The collection does not employ statistical methods.